



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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INSPECTION REPORT

Partial: _____ Complete: XXX Exploration: _____
Inspection Date & Time: 2/28/2001 7:50-11:50 AM
Date of Last Inspection: 2/28/2001

*PLC
by JG*

Mine Name: Centennial Project County: Carbon Permit Number: 2001-019
Permittee and/or Operator's Name: Andalex Resources, Inc.
Business Address: P.O. Box 902, Price, Utah 84501
Type of Mining Activity: Underground XXX Surface _____ Prep. Plant _____ Other _____
Company Official(s): Mr. Mike Glasson, Senior Geologist
State Official(s): Peter Hess Federal Official(s): None
Weather Conditions: snow flurries at site, windy, 30's Fahrenheit
Existing Acreage: Permitted 5179.49 Disturbed 35.27 Regraded _____ Seeded _____
Status: Active XXX

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. SIGNS AND MARKERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 th Quarter- April, May, June)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/019

DATE OF INSPECTION: 03/29/2001

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

Note: The last roof support shield has been extracted from the Aberdeen Mine and was observed being transported to Pacific Central Steel Fabrication in East Carbon, Utah for refurbishing on March 27, 2001. The permittee has initiated coal recovery in the Pinnacle Mine (one continuous miner section in the Centennial seam) as of March 26, 2001.

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The current permit which is issued by the UDNR/OGM remains in effect until January 6, 2002.

2. SIGNS AND MARKERS

During today's field inspection, the permittee re-installed two topsoil storage area signs which had blown down on the storage pile designated as "Topsoil 'C' ", on Plate 6, "As Constructed Surface Facilities."

4A. HYDROLOGIC BALANCE: DIVERSIONS

The freeze/thaw cycle which occurs every Spring has deposited the usual amount of rocks in the site's numerous diversion ditches. This was pointed out to Mr. Glasson, relative to diversion maintenance.

The ditch directly east of the lubricant storage area on the upper Pinnacle Mine pad was observed to have a several hundred foot length of electrical cable looped back and forth in the ditch, obstructing it. Mr. Glasson indicated he would have the obstruction removed.

As noted above, coal extraction has stopped in the Aberdeen Mine. It was noted this day that the ditch which carries wash-down water from the Aberdeen #1 belt drive area to the lower pad, located along the north high wall area, was blocked with coal. Mr. Glasson indicated he would have the ditch repaired to function as designed.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The fourth quarter and annual impoundment inspection and certification of the sites three impoundments was conducted by Mr. Dan Guy, P.E., of Blackhawk Engineering on November 30, 2000. There were no hazardous conditions or signs of instability noted for any of the ponds (C, B, and E). Mr. Guy's P.E. certification was conducted on the same day as the inspection. All ponds have adequate sediment storage remaining.

Mr. Glasson conducted the permittee's fourth quarter impoundment inspections for the site on December 29, 2000. No problems were noted for any of the ponds.

Today's field inspection of the site revealed some minor erosion in the south inlet of pond "C". There were no other problems noted relative to the other ponds.

4D. HYDROLOGIC BALANCE: WATER MONITORING

As of today's inspection, the permittee has not conducted the field monitoring for the first quarter 2001 water monitoring. Discharge monitoring reports for the month of February 2001 were reviewed.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/019

DATE OF INSPECTION: 03/29/2001

The reporting forms for the two UPDES mine water outfalls and the two sediment ponds all indicated no flow for each of the four discharge points. Same were submitted on March 20, 2001. Mr. Glasson is the permittee's authorized representative.

The permittee submitted the fourth quarter 2000 water monitoring information to the UDNR/OGM on March 23, 2001. This information is not submitted in electronic format. A review of the submitted information revealed the following.

- 1) the sampling was conducted on December 29, 2000.
- 2) sites S18-1 and Well #1 were sampled; S25-1 was reported as only having negligible flow.
- 3) Sample sites 7-1, 8-1, 12-1, 17-1, 17-2, 18-2, 18-3, 18-4, and 25-2 were all reported as having no flow.
- 4) A review of the water chemistry analytical reports for sample points S18-1 and Well #1 was conducted. All field parameters and water analysis parameters were analyzed for, as listed within the currently approved mining and reclamation plan. All parameters showed reportable results.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

The permittee's UPDES permit # UTG040008 remains in effect until April 30, 2003.

8. NONCOAL WASTE

The permittee needs to perform a general cleanup of the site, particularly about the Aberdeen Mine area.

21. BONDING AND INSURANCE

The reclamation bond for the Centennial site was last reviewed and was agreed upon by the Division in June of 2000. A bond in the amount of \$1,080,000 is in effect; the total inflated reclamation cost (in 2004 dollars) for the Centennial site has been determined to be \$948,082.72. As determined by the UDNR/OGM, no increase in the bond amount was necessary.

Inspector's Signature: _____

Peter Hess #46

Date: March 30, 2001

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

sd

cc: James Fulton, OSM
Mike Glasson, Andalex
Price Field office

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